

**IMPLEMENTATION OF BALANCED SCORECARD IN IMPROVING
PRIVATE UNIVERSITIES' PERFORMANCE****Novi Ruhviyanti¹, Sepryhatin Dioputra², Achmad Pahrul Rodji³**STMIK IM Bandung, West Java, Indonesia^{1,2}Krisnadwipayana University, Bandung, West Java, Indonesia³

Department of Management, University of Trunojoyo Madura, Indonesia

Email: novi.rukhviyanti@stmik-im.ac.id, sepryhatindioputra@rocketmail.com,
achmadpahrul.r@gmail.com**Abstract**

The role of private universities in improving quality must accommodate all aspects of the performance of the tri dharma of higher education. The rapid development of higher education institutions must be ready to change. Changes in the global business environment also trigger the increasing intensity of competition between higher education service providers so that each higher education service provider will try to offer high-performance higher education services. This research aims to see how far the implementation of BSC is in improving the performance of private universities. Specifically, this study describes four perspectives, including (1) financial perspective, (2) customer perspective, (3) internal business process perspective (4) learning and growth perspective. They were using the theory of Robert Kaplan and David Norton. This study uses a descriptive method with a qualitative approach and data collection by conducting observations, interviews, and documentation studies. The research results indicate that the BSC implementation has been applied in a systematic, measurable, and planned manner so that the Vision, Mission, and objectives are achieved. In an implementation, there is a balance between financial and non-financial.

Keywords: Financial perspective, customer perspective, internal business process perspective, Learning and growth perspective, Private Higher Education Performance

Received 23 May 2022, Revised 27 May 2022, Accepted 30 May 2022

INTRODUCTION

The development of education in Indonesia is currently swift, but this does not necessarily affect the improvement of the quality and quality of higher education as stated in the Law of the Republic of Indonesia No. 12 of 2012 concerning Higher Education, which explains that higher education is an academic unit that organizes higher education (UU, 2012). The rapid development of higher education institutions must be ready to change. Changes in the global business environment also trigger the increasing intensity of competition between higher education service providers so that each higher education service provider will try to

offer high-performance higher education services. Education is a secondary need. Education still has essential meaning because without human education, and it will be challenging to develop and even become a backward group and have good morals.

The role of Private universities (*PTS*) to improve quality must accommodate all aspects of the performance of the tri dharma of higher education. Universities compete with each other to develop all their potential and abilities to attract prospective students. This competitive ability is strongly influenced by the performance of the university management concerned in planning-oriented strategies to build high competitiveness. The

university's performance can be seen from the quality of the accreditation it has.

Higher education accreditation status is very decisive for prospective students in choosing a place to study because accreditation status is always associated with the quality of higher education administration. Regulation of the National Accreditation Board for Higher Education Number 2 of 2017 concerning the National Accreditation System. "The national accreditation system for higher education is listed in the appendix and is an inseparable part of the regulations of the national accreditation body for higher education" (Peraturan Pemerintah, 2019).

One of the higher education mechanisms in dealing with this competition is to display their strengths and resources'. The measurement of higher education performance is felt to be very limited, and this views a concept of higher education as an integral entity in education and a process of operating activities (Balanis, 2005). Performance measurement requires the proper process to improve the quality of education. This process can encourage each university to improve its weaknesses and ensure the quality of the education (Chen, Lin, & Chang, 2009). Universities need to develop effectively to conduct performance evaluation as a continuous process to measure the organization's performance as a whole because this is the key to the survival of universities (Lin, Hu, Tseng, Chiu, & Lin, 2016).

Performance is a display of the overall state of the Institution during a specific period, which is the result or achievement that is influenced by the operational activities of the Institution in utilizing its resources. Performance can also be said as a result (output) of a particular process carried out by all components of the organization against specific sources used (input). Furthermore, performance results from a series of process activities to achieve specific organizational goals. For an organization, performance results from cooperative activities among

members or organizational components to realize organizational goals.

Performance is communication between individuals, which includes: individual variables, organizational and psychological variables, provides a theoretical model of performance and analyzes the factors that influence individual behavior and performance; (1) individual variables, which consist of sub-variables abilities and skills, background, demographics, sub-variable abilities and skills are the factors that most influence individual performance, (2). psychological variables consist of sub-variables of perception, attitude, personality, learning, and motivation. Demographic variables more influence this variable. The sub-variables of perception, attitude, personality, and learning are very difficult to measure, and (3) organizational variables consist of sub-variables of resources, leadership, rewards structure, and job design. Organizational variables indirectly affect individual behavior and performance (Gibson, 2000).

Approach to corporate performance appraisal that can be adopted in non-profit organizations. A performance appraisal tool called the balanced scorecard is a comprehensive performance appraisal method. This method assesses performance using a set of integrated performance measures developed based on a vision and strategy. The application of the Higher Education BSC makes them more aware of the extent of the movements and developments that have been achieved.

The existence of the BSC helps universities provide a comprehensive view of their performance of universities (Arifudin, 2020). For performance to be more effective and efficient, accurate information is needed that represents the work system being carried out. The BSC provides universities with the elements needed to move from an 'always financial' paradigm to a new model in which the BSC results become the starting point for reviewing, questioning, and learning about

their strategies. The BSC will translate the vision and strategy into a coherent set of measures in four balanced perspectives".

Balance Scorecard, abbreviated as BSC, was written by Robert Kaplan and David Norton in 1990. BSC is a performance-based strategic management approach. Thus, the focus and performance measures become the emphasis of the BSC. A balanced scorecard is a management system for managing the implementation of strategies, measuring performance not only focusing on a financial perspective but communicating the vision, strategy, and performance expectations of stakeholders (Kaplan & Norton, 2000). As Kaplan and Norton (1996) suggest that BSC helps organizations to complete critical management processes such as (1) clarifying and translating vision and strategy, (2) communicating and linking the objectives of the strategy and measurement, (3) planning, setting targets and aligning initiatives from the strategy, and (4) increasing feedback and learning strategies. Kaplan and Norton's expression implies that BSC is strategic management used in an organization or Institution with standards measured through four perspectives: financial, customer, internal business process, and growth and learning.

Based on the background of the problem above, in general, this research aims to see the extent to which the implementation of "Implementation of the Balanced Scorecard (BSC) in improving the performance of private universities" (STEMBI College of Economics in Bandung City).

METHOD

This study uses qualitative research methods. Qualitative research emphasizes quality, not quantity, and the data collected does not come from questionnaires but interviews, direct observations, and other related official documents. Qualitative research is also more concerned with the process aspect than the results obtained (Creswell, 2012). The research intends to

understand the phenomena of what is experienced by research subjects, such as behavior, perceptions, motivations, actions, and others, holistically and by using descriptions in the form of words and language in a particular natural context by utilizing various natural methods (Moleong, 2021).

Given that the method used in this study is descriptive, the research uses a qualitative approach. This approach is adapted to the main objective of the study, namely to describe and analyze the implementation of the Balanced Scorecard in improving the performance of private universities. BSC is an approach to management strategy developed by Kaplan (Harvard Business School) and Norton in the early 1990s. BSC itself comes from two syllables: balanced, which means balanced, and scorecard, which means score card. Balanced here means a balance between financial and non-financial performance in the short and long term, between internal and external performance. At the same time, the scorecard itself is the card used to record the company's performance results score. The scorecard can also plan the score that the company wants to achieve in the future. Kaplan and Norton (1996), the four BSC perspectives are: "Financial perspective, Customer perspective, Internal business process, Learning & growth. BSC is a management system that manages strategy implementation, measures overall performance, and communicates vision, strategy, and goals to stakeholders.

RESULTS AND DISCUSSION

Research questions guide the results of this study as a focus on presenting research results that are the study's objectives. The implementation of PTS performance management carried out by the STEMBI School of Economics in Bandung can be explained and reviewed by using the BSC approach, namely (1) financial perspective, (2) customer perspective, (3) process

perspective, internal business process perspective, and (4) learning and growth perspective.

Financial Perspective Financial management in a private university is not easy; it needs good cooperation between foundations and institutions so that the vision, mission, and goals can be achieved effectively and efficiently. Sources of financial income from students and the government, it is hoped that educational institutions can manage finances well and maximally. However, the implementation of financial management is not profit-oriented only. Healthy, transparent, and accountable financial management is the primary goal, so it must always be upheld in the financial management system while remaining principled in accounting principles, including implementing internal and external audits set at the STEMBI School of Economics Bandung.

It can be seen that the performance of the Bandung STEMBI College of Economics in terms of financial performance is quite good. It is proven that income and expenditure can run dynamically, as seen from the implementation of the tri dharma of higher education can be carried out well.

Customer Perspective, customers, in this case, our students and society. STEMBI College of Economics approaches the customer perspective by implementing and providing facilities and infrastructure to support the development of science and technology. The Institution determines the targets, both quantitatively and qualitatively, which are included in the framework of the strategic plan that has been determined and formulated every year. Achievement of targets is determined based on experiences and predictions that will occur in the future, both in terms of increasing income, increasing the number of students, and increasing the capability and professionalism of HR managers. The implementation carried out to accommodate student creativity is in the form of a business incubator container where students are involved in these activities. It is

easier for students to express their innovation and creativity. The Institution contains a forum for searching for alumni, job fairs, job vacancies, specialization in achievement pathways, and potential and mapping student interests. Service improvement and academic quality assurance, both internally and externally, are more appropriately considered.

The success of performance from the customer's perspective can be seen in the number of students every year. There is a significant increase in studying at the STEMBI College of Economics in Bandung.

Internal business process perspective means improving the internal business process perspective education must finalize and prepare academic processes to suit customer needs. The creation of professional, highly competitive graduates have an entrepreneurial spirit and have a noble character who can think systematically and interestedly in planning, operating and controlling business units productively. Professionalism will not be able to succeed without being supported by solid scientific abilities, both in a philosophical and methodological sense, and must also be supported by quality scientific works.

Implementation of the internal business perspective at the STEMBI School of Economics is clearly stated in the objectives of the performance standards below: (1) to prepare and develop the organization, including the facilities and infrastructure to develop science and technology for the welfare of the community, (2) conducting education and teaching and learning in order to create human resources who are experts in the field of business who are intellectual and have good morals, and (3) conducting research and community service as a form of the Institute's participation to improve the welfare of the community.

The obstacles that are felt in the internal business are facing conditions that are constantly changing and the limited resources they have to require higher education institutions to find solutions.

Learning and growth perspective means the application of the Growth and Learning Perspective carried out by institutions is more about adjusting to economic growth and technology where growth cannot be separated in education. It is necessary to increase the welfare of lecturers and employees. Lecturers and employees are allowed to develop careers, examples of which previously only had an undergraduate education, were sent to a higher level at a cost entirely borne by the foundation. In addition, what is focused on students is improvement in coaching both academically and non-academically. The guidance is that students are given business briefings such as making programs/applications.

The main objective of a growth and development perspective is to increase the level of skills in carrying out internal processes, harmonization between employee and institutional goals, improve information systems, etc. In order to increase and maintain the value of intellectual capital, STEMBI invests in continuous education and training of its personnel, establishes a system of evaluating employees and their performance, and rewards and promotes qualified staff.

CONCLUSION

The concept of the BSC implementation approach at the STEMBI School of Economics Bandung with the application of 4 perspectives. Namely: (1) financial perspective, (2) customer perspective, (3) internal business process perspective, and (4) learning and growth perspective), carried out in a systematic, measurable, and planned manner so that the Vision, Mission, and objectives are adequately implemented.

There is a balance between financial and non-financial. There is a synergy in its management so that the Institution's operations are implemented following the objectives.

The application of the four BSC perspectives, one of which is the internal business process perspective, which is difficult to do where maintaining a program that has been well implemented is very difficult. However, these problems do not become a barrier to carrying out the vision and mission of the Institution.

REFERENCES

- Arifudin, O. (2020). Manajemen Perguruan Tinggi Era Revolusi 4.0 Dalam Meningkatkan Daya Saing Perguruan Tinggi Nasional. *Jurnal Al-Amar (Ekonomi Syariah, Perbankan Syariah, Agama Islam, Manajemen Dan Pendidikan)*, 1(2), 1–8. [Google Scholar](#)
- Balanis, C. A. (2005). Antenna theory analysis and design, A John Wiley & Sons. Inc., Publication, 811. [Google Scholar](#)
- Chen, Y.-S., Lin, M.-J. J., & Chang, C.-H. (2009). The positive effects of relationship learning and absorptive capacity on innovation performance and competitive advantage in industrial markets. *Industrial Marketing Management*, 38(2), 152–158. [Scopus](#)
- Creswell, J. W. (2012). *Educational research: Planning, conducting, and evaluating quantitative and qualitative research (4th ad.)*. Boston, MA. [Google Scholar](#)
- Gibson, J. L. (2000). Organisasi, Perilaku, Struktur dan Proses, Edisi ke-5, Cetakan ke-3. *Jakarta: Penerbit Erlangga*. [Google Scholar](#)
- Kaplan, R. S., & Norton, D. P. (2000). Balanced Scorecard, Menerjemahkan Strategi Menjadi Aksi, Alih Bahasa: Peter R. Yosi Pasla. [Google Scholar](#)
- Lin, M.-H., Hu, J., Tseng, M.-L., Chiu, A. S. F., & Lin, C. (2016). Sustainable development in technological and vocational higher education: Balanced scorecard measures with uncertainty. *Journal of Cleaner Production*, 120, 1–12. [Scopus](#)

- Moleong, L. J. (2021). *Metodologi penelitian kualitatif*. PT Remaja Rosdakarya. [Google Scholar](#)
- UU. *Undang-Undang RI No 12 Tahun 2012 tentang Pendidikan Tinggi*. , (2012).
- Peraturan Pemerintah. *Peraturan Badan Akreditasi Nasional Perguruan Tinggi Nomor 3 tahun 2019 tentang Instrumen Akreditasi Perguruan Tinggi*. , (2019).



© 2022 by the authors. It was submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (CC BY SA) license (<https://creativecommons.org/licenses/by-sa/4.0/>).